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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil Gas and Mining

JOHN R. BAZA  
Division Director

July 25, 2007

Michael D. Terry  
c/o North American Holding, Inc.  
447 North 300 West  
Kaysville, Utah 84037-4203

Subject: Deficient Notice of Intention to Commence Small Mining Operations, Michael Terry, Imagine Mine, S0550027, Task 1853, Wayne County, Utah

Dear Mr. Terry:

The Division of Oil, Gas and Mining has reviewed the referenced Notice of Intention to Commence Small Mining Operations (NOI) and has the following comments that need to be addressed before it can be determined complete:

1. Please clarify that the address shown in the information provided is the operator's permanent mailing address.
2. The NOI needs to contain a statement signed by the operator that reclamation will be performed as required by the R647 rules.
3. On the operations map, please show the locations of any existing or proposed operations, including drill holes, trenches, pits, shafts, or other planned mining activities.
4. Please state what mineral(s) you intend to mine.
5. Please provide an estimate of the amount of material (including mineral deposit, topsoil, subsoil, overburden, waste rock, or core hole material) to be extracted, moved or proposed to be moved relating to the mining operation.
6. The information provided says operations will leave two depressions and that elimination of water in the mined areas would require backfilling these areas. This implies that the mined areas will not be backfilled and that they will be allowed to fill with water. Please clarify whether this understanding is correct.



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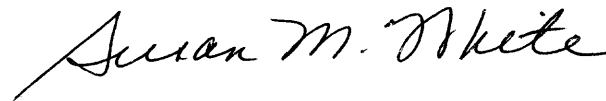
Rule R647-3-109.9 says, "Water impounding structures shall be reclaimed so as to be self-draining and mechanically stable unless shown to have sound hydrologic design and to be beneficial to the postmining land use." If you intend to leave pits that are not self-draining or mechanically stable, please provide the appropriate information to show that they have sound hydrologic design and that they are beneficial to the postmining land use.

The Division is concerned that Figure 1A shows mining extending into a pond and also that the operations would occur with only a five-foot buffer zone next to the stream. Since the stream flows through the pond, it appears you would effectively be mining in the stream. Operations must be conducted in a manner that sediment from disturbed areas is adequately controlled (R647-3-107.3), and the degree of erosion control must be appropriate for site-specific conditions.

The Division will need to obtain concurrence from the Forest Service for the amount of the reclamation surety, and we will begin this process. The Forest Service may not be able to concur on an amount until the plan of operations is complete.

If you have questions about the deficiencies or other aspects of this letter, please call me at 801-538-5258 or Paul Baker at 801-538-5261. Thank you for your cooperation.

Sincerely,



Susan M. White  
Mining Program Coordinator  
Minerals Regulatory Program

SMW:PBB:pb

cc: Teasdale Ranger District, Dixie National Forest  
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